

# LEGISLATIVE RESEARCH COMMISSION

---

## STATE COMPUTER SYSTEMS



REPORT TO THE  
1983 GENERAL ASSEMBLY  
OF NORTH CAROLINA



# LEGISLATIVE RESEARCH COMMISSION

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1983 GENERAL ASSEMBLY  
OF NORTH CAROLINA

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STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
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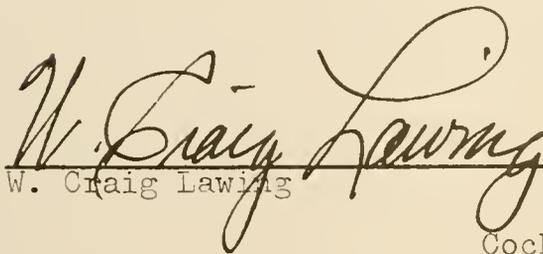
January 12, 1983

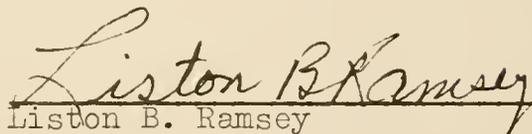
TO THE MEMBERS OF THE 1983 GENERAL ASSEMBLY:

The Legislative Research Commission herewith reports to the 1983 General Assembly on the consolidation of the State's computer systems. The report is made pursuant to Resolution 61 of the 1981 General Assembly.

This report was prepared by the Legislative Research Commission's State Computer Systems Study Committee and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,

  
W. Craig Lawing  
Cochairman

  
Liston B. Ramsey

Legislative Research Commission



1981-83

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP

House Speaker Liston B. Ramsey

Cochairman

Representative Chris S. Barker, Jr.

Representative John T. Church

Representative Gordon H. Greenwood

Representative John J. Hunt

Representative Lura S. Tally

Senate President Pro Tempore

W. Craig Lawing, Cochairman

Senator Henson P. Barnes

Senator Carolyn Mathis

Senator William D. Mills

Senator Russell Walker

Senator Robert W. Wynne



## PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is cochaired by the Speaker of the House and the President Pro Tempore of the Senate and has ten additional members, five appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly or either house thereof, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1981 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories, and each member of the Commission was given responsibility for one category of study. The Cochairmen of the Legislative Research Commission, under the authority of General Statutes 120-30(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Cochairmen, one from each house of the General Assembly, were designated for each committee.

The study of the feasibility of consolidating the State's computer systems was authorized by Resolution 61 of the 1981 Session Laws. This resolution authorizes the Commission to consider House Joint Resolution 524 and Senate Joint Resolution 349 in determining the scope of the study. Section 1 of House Joint Resolution 524 and Senate Joint Resolution 349, which are identical resolutions, states:

The Legislative Research Commission may study the feasibility of consolidating the computer systems operated, used, or main-

tained by the State. The Commission may focus on determining what compatible systems could be consolidated for efficiency and cost effectiveness. The Commission may study any computer system operated, used, or maintained by any State agency or department, regardless of the source of funding of the system.

Resolution 61, House Joint Resolution 524, and Senate Joint Resolution 349 are attached as Appendix A.

The Legislative Research Commission grouped this study in its social services area under the direction of Senator Russell Walker. The Cochairmen of the State Computer Systems Study Committee established by the Research Commission are Senator Dallas L. Alford and then Representative David R. Parnell (now Senator-elect Parnell). The full membership of the Committee is listed in Appendix B.

## COMMITTEE PROCEEDINGS

The Legislative Research Commission's study committee on the feasibility of consolidating the State's computer systems met six times. The Committee's task was to study the various computer systems operated, used, or maintained by the State to determine which, if any, of these systems could be consolidated or coordinated for efficiency and cost effectiveness. To this end, the Committee reviewed the State's computing facilities and the law concerning the management of these resources.

At its first three meetings, the Committee heard presentations from all the executive departments of State government that have general purpose computers and The University of North Carolina. The eight executive departments that have general purpose computers are the Department of Administration, which operates the State Computer Center, the Department of Commerce (Employment Security Commission), the Department of Community Colleges, the Department of Correction, the Department of Justice, the Department of Revenue, the Department of State Treasurer, and the Department of Transportation. Spokesmen from these departments summarized the scope of computing done by their department and their department's computer facilities. Spokesmen from The University likewise reviewed the scope of computing done by The University and its facilities, and emphasized the difference between academic computing and the administrative computing done by the State.

Of the eight computer systems in executive departments the Committee looked most closely at the Department of Administration's computer system, known as the State Computer Center, which is the only cost-shared center in State government. The Department of Administration bills the users of the Center for the services provided by the Center. The Committee reviewed the services offered by the Center and heard presentations from several users of the Center, such as the Department of Human Resources, on the types of services

received from the Center by the users and the users' satisfaction with these services.

In its last three meetings, the Committee focused on the law concerning management of information processing resources in State government, G.S. 143-341(9), and considered various draft executive orders and draft bills to allow more centralized management of these resources. The Committee invited all department heads and all Council of State members to present their opinions of the draft executive orders and bills. In response to this invitation, the Committee heard presentations from the Secretary of the Department of Administration, the State Treasurer, the State Auditor, and spokesmen from the Departments of Justice and Labor.

The recommendations of the Committee are reported in the following section of the report. A list of speakers at the Committee meetings is attached as Appendix C.

## RECOMMENDATIONS

1. The Committee recommends amending G.S. 143-341(9) to remove the Council of State as the approving authority for proposals by the Department of Administration to consolidate or coordinate the State's information processing resources. A newly created Computer Commission will be substituted as the approving authority. The Computer Commission will be composed of the following five ex officio members: the Secretary of the Department of Administration, the State Budget Officer, the State Treasurer, the State Auditor, and the Secretary of State. The membership of this Commission is designed to provide the expertise needed to make decisions concerning the State's information processing resources and to ensure that the interests of all branches of State government are considered in making these decisions. This amendment will speed the approval process, allowing the Department of Administration to manage the State's information processing resources more effectively.
2. The Committee recommends continuing the study of the State's information processing resources to determine which computer systems or other information processing resources should be consolidated or coordinated. The Committee did not have the resources or technical expertise to make this determination. Recognizing that the problem of how to manage the State's information processing resources in the most efficient and effective manner is very complex, the Committee recommends that the next study committee seek the assistance of professional consultants in making its determination.

LEGISLATIVE PROPOSAL ONE

A BILL TO BE ENTITLED AN ACT TO ESTABLISH  
A COMPUTER COMMISSION AND TO GIVE THIS  
COMMISSION AUTHORITY OVER INFORMATION  
PROCESSING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-341(9) is rewritten to read:

"(9) Information Processing Services.--With respect to all executive departments and agencies of State government, except the Department of Justice and The University of North Carolina:

- (a) To establish and operate information processing centers and services to serve two or more departments on a cost-sharing basis, if the Computer Commission decides it is advisable from the standpoint of efficiency and economy to establish these centers and services;
- (b) With the approval of the Computer Commission, to charge, on a time basis, each department for which services are performed its proportionate part of the cost of maintaining and operating the shared centers and services;
- (c) With the approval of the Computer Commission, to require any department served to transfer to the Department of Administration ownership, custody, or control of information processing equipment, supplies, and positions required by the shared centers and services;
- (d) With the approval of the Computer Commission, to adopt reasonable rules for the efficient and economical management and operation of the shared centers and services;

(e) With the approval of the Computer Commission, to adopt plans, policies, procedures, and rules for the acquisition, management, and use of information processing equipment and personnel in the departments affected by this subdivision to facilitate more efficient and economic use of information processing resources in these departments; and

(f) To develop and promote training programs to improve the technical and managerial capability of personnel in information processing functions.

No data of a confidential nature, as defined in the General Statutes or federal law, may be entered into or processed through any cost-sharing information processing center established under this subdivision until safeguards for the data's security satisfactory to the department head and the Secretary of Administration have been designed and installed and are fully operational. Nothing in this section may be construed to prescribe what programs to satisfy a department's objectives are to be undertaken, nor to remove from the control and administration of the departments the responsibility for program efforts, regardless whether these efforts are specifically required by statute or are administered under the general program authority and responsibility of the department. This subdivision does not affect the provisions of G.S. 147-58 or G.S. 143-340(14)."

Sec. 2. Article 9 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 23. Computer Commission.

"§ 143B-426.21. Computer Commission - (a) creation; membership.--The Computer Commission of the Department of Administration is created. The Commission consists of the following five ex officio members: the Secretary of the Department of Administration, the State Budget Officer, the State Auditor, the State Treasurer, and the Secretary of State.

The Secretary of the Department of Administration is chairman of the Commission. The Commission shall meet at the call of the chairman. The chairman is responsible for providing clerical and other services required by the Commission.

(b) Powers.--The Commission has the following powers:

- (1) To approve or disapprove proposals by the Department of Administration under G.S. 143-341(9); and
- (2) To obtain information relevant to the decisions required of the Commission under G.S. 143-341(9) from the affected departments."

Sec. 3. This act is effective upon ratification.

LEGISLATIVE PROPOSAL TWO

A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE  
RESEARCH COMMISSION TO CONTINUE TO STUDY INFORMATION  
PROCESSING RESOURCES IN STATE GOVERNMENT.

Whereas, the Legislative Research Commission was authorized by Resolution 61 of the 1981 Session Laws to study the feasibility of consolidating the various State computer systems; and

Whereas, the State Computer Systems Study Committee established by the Legislative Research Commission reviewed the information processing resources in State government and recommended establishing a Computer Commission to make decisions concerning consolidation and coordination of the State's information processing resources; and

Whereas, the Study Committee found the problem of how to manage the State's information processing resources in the most efficient and cost-effective manner to be very complex; and

Whereas, the Study Committee did not have the resources and expertise to determine which systems should be consolidated or coordinated;

Now, therefore be it resolved by the Senate, the House of Representatives concurring:

Section 1. The Legislative Research Commission may continue to study the information processing resources in State government to determine the most efficient and cost-effective way to manage these resources. The Commission may determine which computer systems and other information processing resources should be consolidated or coordinated, and may seek the advice of outside consultants in making this determination. The Commission may include in its study any computer system operated, used, or maintained by any State agency or department, regardless of the source of the system's funding.

Sec. 2. The Commission shall make a final report of its findings and recommendations to the 1985 General Assembly and may make an interim report to the 1983 General Assembly, Second Session 1984.

Sec. 3. This resolution is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1981  
RATIFIED BILL

## RESOLUTION 61

## HOUSE JOINT RESOLUTION 1292

A JOINT RESOLUTION AUTHORIZING STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION.

Be it resolved by the House of Representatives, the Senate concurring:

Section 1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1981 bill or resolution that originally proposed the study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (1) Continuation of study of revenue laws (H.J.R. 15 -- Lilley).
- (2) Continuation of study on problems of aging (H.J.R. 48 -- Messer/S.J.R. 37 -- Gray).
- (3) Day care (H.J.R. 223 -- Brennan).
- (4) Civil rights compliance of non-State institutions receiving State funds (H.J.R. 344 -- Spaulding).
- (5) Social services and public assistance (H.B. 393 -- P. Hunt).
- (6) The need for new health occupational licensing boards (H.B. 477 -- Lancaster/S.B. 285 -- Jenkins).
- (7) Matters related to public education, including:

a. The feasibility of making the 12th grade optional in the public schools (H.J.R. 890 -- Tally).

b. Continue study of public school food service (H.J.R. 948 -- Brennan).

c. The teacher tenure law (S.J.R. 621 -- Royall).

d. Providing teachers with duty-free periods (S.J.R. 697 -- Speed).

e. Continuation of study regarding purchase of buses in lieu of contract transportation, and other school bus transportation matters (no 1981 resolution).

(8) Campaign financing and reporting (H.J.R. 975 -- D. Clark).

(9) State's interests in railroad companies and railroad operations (H.B. 1069 -- J. Hunt).

(10) Matters related to insurance, including:

a. Insurance regulation (H.B. 1071 as amended -- Seymour), including the feasibility of establishing within the Department of Insurance a risk and rate equity board.

b. How the State should cover risks of liability for personal injury and property damage (H.J.R. 1198 -- Seymour).

c. Credit insurance (H.J.R. 1328 -- Barnes).

(11) Matters related to public property, including:

a. Development of a policy on State office building construction (H.J.R. 1090 -- Nye).

b. The potential uses and benefits of arbitration to resolve disputes under State construction and procurement contracts (H.J.R. 1292 -- Adams).

- c. The bonding requirements on small contractors bidding on governmental projects (H.J.R. 1301 -- Nye).
- d. Continue study of the design, construction and inspection of public facilities (S.J.R. 143 -- Clarke).
- e. Whether the leasing of State land should be by competitive bidding (S.J.R. 178 -- Swain).
- (12) Allocation formula for State funding of public library systems (H.J.R. 1166 -- Burnley).
- (13) Economic, social and legal problems and needs of women (H.R. 1238 -- Adams).
- (14) Beverage container regulation (H.J.R. 1298 -- Diamond).
- (15) Scientific and technical training equipment needs in institutions of higher education (H.J.R. 1314 -- Fulcher).
- (16) Role of the State with respect to migrant farmworkers (H.J.R. 1315 -- Fulcher).
- (17) Existing State and local programs for the inspection of milk and milk products (H.J.R. 1353 -- James).
- (18) Laws authorizing towing, removing or storage of motor vehicles (H.J.R. 1360 -- Lancaster).
- (19) Annexation laws (S.J.R. 4 -- Lawing).
- (20) Laws concerning obscenity (House Committee Substitute for S.B. 295).
- (21) The feasibility of consolidating the State computer systems (S.J.R. 349 -- Alford/H.J.R. 524 -- Plyler).
- (22) Laws pertaining to the taxation of alcoholic beverages and the designation of revenues for alcoholism

education, rehabilitation and research (S.J.R. 497 -- Gray).

(23) Regional offices operated by State agencies (S.J.R. 519 -- Noble).

(24) Continue study of laws of evidence (S.J.R. 698 -- Barnes).

(25) Continue study of ownership of land in North Carolina by aliens and alien corporations (S.J.R. 714 -- White).

(26) Rules and regulations pertaining to the Coastal Area Management Act (S.J.R. 724 -- Daniels).

(27) Transfer of Forestry and Soil and Water from Department of Natural Resources and Community Development to Department of Agriculture (H.B. 1237 -- Taylor).

(28) Continue sports arena study (H.J.R. 1334 -- Barbee).

(29) State investment and maximum earning productivity of all public funds (H.J.R. 1375 -- Beard).

Sec. 2. For each of the topics the Legislative Research Commission decides to study, the Commission may report its findings, together with any recommended legislation, to the 1982 Session of the General Assembly or to the 1983 General Assembly, or the Commission may make an interim report to the 1982 Session and a final report to the 1983 General Assembly.

Sec. 3. The Legislative Research Commission or any study committee thereof, in the discharge of its study of insurance regulation under Section 1(10)a. of this act, may secure information and data under the provisions of G.S. 120-19. The powers contained in the provisions of G.S. 120-19.1 through

G.S. 120-19.4 shall apply to the proceedings of the Commission or any study committee thereof in the discharge of said study. The Commission or any study committee thereof, while in the discharge of said study, is authorized to hold executive sessions in accordance with G.S. 143-318.11(b) as though it were a committee of the General Assembly.

Sec. 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified, this the 10th day of July, 1981.

JAMES C. GREEN

James C. Green

President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey

Speaker of the House of Representatives



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1981

SENATE JOINT RESOLUTION 349\*

Sponsors: Senator Alford.

Referred to: Rules and Operation of the Senate.

April 1, 1981

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH  
2 COMMISSION TO STUDY THE FEASIBILITY OF CONSOLIDATING THE STATE  
3 COMPUTER SYSTEMS.

4 Whereas, most State agencies and executive departments  
5 receive computer support from the State Computer Center; and

6 Whereas, many agencies and departments in addition  
7 operate or use other computer systems; and

8 Whereas, State resources could be used more effectively  
9 and efficiently if compatible computer systems could be  
10 consolidated;

11 Now, therefore, be it resolved by the Senate, the House of  
12 Representatives concurring:

13 Section 1. The Legislative Research Commission may  
14 study the feasibility of consolidating the computer systems  
15 operated, used, or maintained by the State. The Commission may  
16 focus on determining what compatible systems could be  
17 consolidated for efficiency and cost effectiveness. The  
18 Commission may study any computer system operated, used, or  
19 maintained by any State agency or department, regardless of the  
20 source of funding of the system.

1                   Sec. 2.    The Commission may issue an interim report to  
2    the 1982 Session and a final report to the 1983 Session of the  
3    General Assembly.

4                   Sec. 3.    This resolution is effective upon ratification.

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GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1981

SENATE JOINT RESOLUTION 349\*

Sponsors: Senator Alford.

Referred to: Rules and Operation of the Senate.

April 1, 1981

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17 consolidated for efficiency and cost effectiveness. The  
18 Commission may study any computer system operated, used, or  
19 maintained by any State agency or department, regardless of the  
20 source of funding of the system.



APPENDIX B  
LEGISLATIVE RESEARCH COMMISSION  
STATE COMPUTER SYSTEMS STUDY COMMITTEE  
1981 - 1983

Sen. Dallas L. Alford, Jr.  
Cochairman  
123 Tarboro St.  
Rocky Mount, NC 27801  
919-446-4585 (Home)  
919-442-4696 (Bus.)

Rep. David R. Parnell  
Cochairman  
P. O. Box 100  
Parkton, NC 28371  
919-858-3508 (Home)  
919-858-3521 (Bus.)

Hon. James H. Edwards  
P. O. Box 1601  
Hickory, NC 28601  
704-396-1328 (Home)  
704-328-6405 (Bus.)

Rep. J. P. Huskins  
Box 1071  
Statesville, NC 28677  
704-873-7129 (Home)  
704-873-1451 (Bus.)

Mr. H. W. Strickland  
P. O. Box 324  
North Myrtle Beach, SC 29582  
919-872-6571 (Home)  
919-733-6961 (Bus.)

Rep. Aaron W. Plyler  
Rt. 7, Box 62  
Monroe, NC 28110  
704-283-8616 (Home)  
704-289-2541 & 704-283-1283 (Bus.)

Sen. Robert Warren  
Rt. 3, Box 25  
Benson, NC 27504  
919-894-3944 (Home)

Rep. Ben Tison  
One NCNB Plaza  
Charlotte, NC 28255  
704-376-4643 (Home)  
704-374-5755 (Bus.)

LRC Member responsible  
for study:

Sen. Russell Walker  
P. O. Box 1831  
Asheboro, NC 27203  
919-625-2572 (Home)  
919-625-6177 (Bus.)

Staff: Sabra J. Faires  
Committee Counsel  
Room 100  
Legislative Office Bldg.

Linda R. Allen  
Committee Clerk



## APPENDIX C

### Speakers at Committee Meetings

Dr. Marcus D. Allred  
Vice President for Planning and Research Services  
Department of Community Colleges

Allen Barwick  
Budget Administration/Management Section  
Office of State Budget

Harlan E. Boyles  
State Treasurer

Bradley Buie  
Director, Accounting Systems Division  
Department of the State Auditor

John Chalmers  
Director, Division of Information Systems  
Department of Human Resources

Fred Cooke  
Burroughs Corporation  
Raleigh, NC

William Corley  
Director, Police Information Network  
Department of Justice

John Elmore  
Special Assistant to the Attorney General  
Department of Justice

Sgt. Julian Hendricks  
Division of Highway Patrol  
Department of Crime Control and Public Safety

William Lewis  
Computer Center Director  
Employment Security Commission  
Department of Commerce

Dr. LeRoy Martin  
Assistant Provost  
North Carolina State University

James Massengill  
Management Systems Officer  
Department of Natural Resources and Community Development

R. D. McMillan, Jr.  
Assistant to the President  
The University of North Carolina

Taylor McMillan  
Chief Deputy Commissioner of Labor  
Department of Labor

James C. Moore  
Director, Administrative Services Division  
Department of State Treasurer

Jane Patterson  
Secretary, Department of Administration

Edward Renfrow  
State Auditor

Richard Rideout  
Assistant Secretary of Administration  
Department of Human Resources

Dr. Woodrow Robbins  
Computer Science Department  
North Carolina State University

Laeron Roberts  
Chief, State Information Processing Systems  
Department of Administration

Phil Shepherd  
Assistant Director for Systems and Programs  
Department of Community Colleges

David Thornton  
Director, Division of Computer Center  
Department of Administration

Charles Williams  
Director, Management Information Services Division  
Department of Administration

Glenn Williams  
Director, Management Information and Research  
Department of Corrections

John A. Williams, Jr.  
Executive Assistant  
Office of the Governor



APPENDIX D  
COMMITTEE CORRESPONDENCE

STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT

JAMES B HUNT JR GOVERNOR  
AND DIRECTOR OF THE BUDGET

JOHN A WILLIAMS JR  
EXECUTIVE ASSISTANT TO THE GOVERNOR  
AND STATE BUDGET OFFICER

June 10, 1982

MEMORANDUM

TO: Ms. Sabra Faires

FROM: Marvin K. Dorman, Jr.  
Deputy State Budget Officer

A handwritten signature in dark ink, appearing to be "M. Dorman", written over the printed name of Marvin K. Dorman, Jr.

SUBJECT: Cost Information on University of North Carolina Systems Computing

In accordance with a request from your committee, data on the costs of providing both administrative and academic computer support has been gathered from the state universities in North Carolina providing such services.

The data summarized on the enclosed sheets are primarily the costs incurred by organized data processing activities on the various campuses. It is possible that costs of some individual departmental activities may not be included, especially in the larger institutions. However, it is believed that these costs are reasonably representative and are valid for purposes of comparison.

Should you desire to examine the individual university reports or to have the data analyzed in some other manner, we will be happy to respond.

Enclosure 1 is the explanatory request sent to the institutions; Enclosure 2 contains summary sheets.

AJB/kmh

Enclosure

D-1

## Enclosure 2

## Summary of University Data Processing Costs, FY 1981-82

<u>Category</u>	<u>Institutions</u>	<u>Memorial Hospital</u>	<u>Total</u>
Personnel	12,056,945	962,353	13,019,298
Hardware	5,093,031	924,126	6,017,157
Software	220,172	58,094	278,266
Contractual/Consulting	43,772	-0-	43,772
D. P. Services (TUCC)	1,016,788	-0-	1,016,788
Miscellaneous, Supplies, etc.	599,832	151,788	751,620
Communications	<u>299,111</u>	<u>51,306</u>	<u>350,417</u>
	19,329,651	2,147,667	21,477,318



STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT

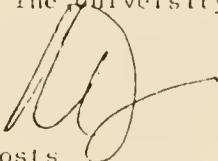
JAMES B. HUNT, JR., GOVERNOR  
AND DIRECTOR OF THE BUDGET

JOHN A. WILLIAMS, JR.  
EXECUTIVE ASSISTANT TO THE GOVERNOR  
AND STATE BUDGET OFFICER

April 19, 1982

MEMORANDUM

TO: Vice Chancellors of Financial Affairs  
Constituent Institutions of The University of North Carolina

FROM: Marvin K. Dorman, Jr.  
Deputy State Budget Officer 

SUBJECT: Survey of Data Processing Costs

The North Carolina Legislative Research Commission Study Committee currently examining state computer systems has requested information of the costs of data processing to the University of North Carolina and its constituent institutions.

You are requested to provide an annual estimate of net data processing costs for 1981-82 for both administrative and academic support. Please identify state funds (general fund only) and other, i.e., grants, federal funds, separately. Deduct those costs that are supported by receipts derived from some other intra-agency activity, i.e., data processing services being provided to and paid by the library. The attached form is provided to assist in obtaining estimates in an uniform manner. Should you find it necessary to deviate from these instructions or to provide information not identified on the form, please explain your response or deviation.

The following definitions/instructions should be used in filling out the attached forms:

Personnel (Salaries and Benefits)

Data Processing (DP) Personnel, SPA and EPA as classified by the Office of State Personnel.

Non DP Personnel, SPA and EPA - Those personnel with job classifications other than data processing who are engaged primarily in data processing activities.

Benefits - Please include an estimate of the cost of personal benefits, i.e., social security, retirement, medical insurance, etc., attributable to personnel engaged in data processing support.

Personnel Support Costs - Estimate annual costs of personnel training, travel, telephone service, office supplies and equipment and other related expenses.

Purchased Computer Hardware (Commodity Class 250) - Convert to an annual costs by amortizing the initial purchase price over a forty month period and report an annual amount for items currently in use within forty months of the date of original purchase. Do not include costs of laboratory or single purpose types of computerized equipment.

Installation Purchase - Report the annual payment as specified in the contract.

Purchased Software Packages - Amortize initial costs over the planned period of use and report an annual amount.

Licensed Software - For payments made on other than an annual basis, please convert to an annual payment.

Communications Equipment - Include front end processors, modems, multiplexors, etc. Amortize purchased equipment over forty months and report an annual amount.

Privately Owned Local Networks - Amortize over the planned period of the systems use to obtain an annual amount.

Your cooperation in providing these estimates will be appreciated. Please let them by April 26, 1982 and mail to Allen Barwick, Office of State Budget and Management. Should you have questions, please direct them to Charles R. Williams or Bruce Merritt, Management Information Services Division, Department of Administration, (Telephone 733-7634).

WBH/jfj

cc: Bruce Merritt  
Charles R. Williams  
L. Felix Joyner

DP COST ELEMENTS FY 81/82

	ADMINISTRATIVE		ACADEMIC	
	State Funds	Other	State Funds	Other
<u>PERSONNEL</u>				
DP (SPA/EPA) (See instructions) Salaries/benefits				
NON DP (SPA/EPA) Salaries/benefits				
Full time equivalent positions				
SPA				
EPA				
Personnel Support (See instructions)				
<u>HARDWARE (CPU, PERIPHERALS)</u>				
Purchase (See instructions)				
Installment purchase (See instructions)				
Lease purchase (annual rate)				
Rental (annual costs)				
Maintenance (annual costs)				

	ADMINISTRATIVE			ACADEMIC	
	State Funds	Other	State Fund	Other	
<u>SOFTWARE</u>					
Purchase (See instructions)					
License (annual fee)					
Maintenance (annual costs)					
<u>CONTRACTUAL &amp; CONSULTING SERVICES</u>					
<u>DATA PROCESSING SERVICES (TUCC)</u>					
<u>MISCELLANEOUS, SUPPLIES, INSURANCE, etc.</u>					
<u>COMMUNICATIONS</u>					
Equipment (See instructions)					
Line Costs (annual rate)					
Local Networks (See instructions)					
Telephone Company Supplied (annual costs)					
Institutionally Owned (annual costs)					
Maintenance (annual costs)					

JAMES B. HUNT, JR.  
GOVERNOR



State of North Carolina  
Department of Revenue

MARK G. LYNCH  
SECRETARY

P. O. Box 25000  
Raleigh, N. C. 27610

JAMES P. SENTER  
DEPUTY SECRETARY

September 17, 1982

MEMORANDUM

TO: Sabra Faires

FROM: Mark G. Lynch

*WGL*

Thank you for sending me a copy of your September 15, 1982, letter to John Booker, Director of our Planning and Processing Division, and for enclosing drafts of five proposed Executive Orders concerning the reorganization and consolidation of certain computer operations of State Government. Your letter states that the State Computer System Study Committee will review these drafts at its meeting on September 21, 1982, at 10:00 a.m. and that the Committee would like to hear the Department's comments on these drafts and any suggested changes at this meeting.

I have expressed to the Governor my concerns about the Department of Revenue being included in any such consolidation of the State Computer System, and I am sure my concerns will be fully considered before any decision is finalized. Therefore, I do not feel that it will be necessary for a Department of Revenue representative to appear before the Committee.

We very much appreciate the invitation to Mr. Booker.

MGL/jb



North Carolina   
Department of Administration  
116 West Jones Street Raleigh 27611 (919) 733 7232

James B. Hunt, Jr., Governor

Jane Smith Patterson, Secretary

October 18, 1982

Ms. Sabra Faires  
Computer Consolidation Study Committee  
General Assembly  
Raleigh, North Carolina

Dear Sabra:

At the last meeting of the Computer Consolidation Study Committee, I was asked to give you my recommendations for legislation that will address many of the problems that have been discussed before the Committee. Attached is a draft bill incorporating those recommendations.

First of all you will notice that the Council of State is replaced by the Advisory Budget Commission as the agency with whom the Secretary must consult prior to taking any action. (The current situation with computers is similar to the situation that existed prior to the creation of the Motor Fleet Management Division. When that Division was created the legislature placed it within the Department of Administration and required the Secretary to consult with the Advisory Budget Commission prior to taking any final action.) Since the ABC is already involved with purchasing, this allows greater coordination between the acquisition and management of information processing centers.

You will notice that the bill does not consolidate all computers into the Department but instead gives the Secretary the responsibility of ensuring that resource sharing (and therefore cost-sharing) take place. The bill does continue the existing authority to transfer equipment and personnel but that action is subject to ABC review.

The bill uses the phrase "information processing" rather than "automated data processing." This phrase more accurately reflects the integrated use of computers and telecommunications.

This bill does not represent the only potential solution to the current problem. There are other possibilities, and compromise is always possible within that range of solutions. However, this draft represents what I believe to be the best way to ensure the integrated use of the State's information processing resources. The DOA now plays a central role in many of the decisions regarding the purchasing of computers and software and in consultation with other agencies on the use of their information processing centers. DOA also operates the State's largest information processing center. The Department has a wealth of knowledge and experience which it will be glad to share with the Committee as it continues its deliberations.

My chief interest is in finding a solution that will allow the State to have the most efficient information processing centers with the least cost to the State. I believe that the best way to minimize the State's cost is by having an integrated system that will ensure that the agencies' information processing resources are shared. In order for this to occur, the State needs a mechanism to ensure that someone is responsible for looking at the best interests of the State as a whole and is accountable to the Legislature.

I will be available at the next Study Committee meeting and look forward to hearing from you as to the date and time.

Sincerely,



Jane Smith Patterson

JSP/bh

cc: Governor James B. Hunt, Jr.  
John A. Williams  
Council of State  
Cabinet Secretaries

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ADVISORY BUDGET COMMISSION TO REVIEW  
THE COSTS, RULES AND REGULATIONS FOR INFORMATION PROCESSING SERVICES

WHEREAS, the Computer Consolidation Study Commission has reviewed the current data processing and information processing resources in State Government; and

WHEREAS, the Department of Administration is responsible for the purchasing of computers and related software through the Purchase and Contract Division; for consultation on the use of other agencies' information processing centers through the Management Information Services Division; and for the operation of state government's largest computer center; and

WHEREAS, the Study Commission has found that the Secretary of Administration lacks the authority to act in the state's best interests to coordinate the costs, charges, and operation of the state's information processing centers; and

WHEREAS, the Study Commission has also found that coordination would provide the state considerable long-term cost avoidance and also further the cost-effective shared use of all of the state's information processing centers;

Now, therefore, the General Assembly of North Carolina enacts:

Section 1. G.S. 143-341 (9) is amended to read:

(9) Information Processing Services:

- a. To establish and operate information processing centers and services to serve two or more state agencies on a cost-sharing basis, if the Secretary, after consultation with the Advisory Budget Commission, deems it advisable from the standpoint of efficiency and economy to establish such centers and services.
- b. To allocate and charge, with the approval of the Director of the Budget after consultation with the Advisory Budget Commission, each state agency for which services are performed, on a time basis, its proportionate part of the cost of maintenance and operation of shared centers and services.
- c. After consultation with the Advisory Budget Commission, the Secretary may require any state agency served to transfer to the Department of Administration ownership, custody and/or control of information processing equipment, supplies, and positions required by such centers and services.
- d. To adopt, after consultation with the ABC, reasonable rules and regulations for the efficient and economical management and operation of shared information processing centers and services.

- e. To adopt, after consultation with the ABC, plans, policies, procedures, criteria, standards, and rules and regulations for the acquisition, management and use of information processing equipment and personnel to facilitate more efficient and economic use of information processing resources located in the Department of Administration, in other state agencies, and in any state-supported institutions.
- f. To develop and promote training programs to upgrade the technical and managerial capability of personnel in information processing functions.
- g. No data of a confidential nature, as defined in the General Statutes, or federal law shall be entered into or processed through any cost sharing data processing center, which may be established under this subdivision, until safeguards for their security satisfactory to the agency head and the Secretary have been designed and installed and are fully operational. Nothing in this section shall be construed to prescribe what agency programs to satisfy agency objectives, either existing or in the future are to be undertaken; nor to remove from the control and administration of the agencies the responsibility for such program efforts whether such efforts are required specifically by statute or administered under the general program authority and responsibilities of the agencies. No part of G.S. 143-341 (9) in any way alters or affects the provisions of G.S. 147-58 or of G.S. 143-340 (14).

2. Section 2. This act shall be effective upon ratification.



STATE OF NORTH CAROLINA  
OFFICE OF THE STATE AUDITOR  
RALEIGH 27611

EDWARD RENFROW  
STATE AUDITOR

November 18, 1982

TEL. NO. (919) 733-3217

M E M O R A N D U M

TO: Legislative Study Committee Considering Consolidation  
of State Computer Systems

FROM: Edward Renfrow *Edward Renfrow*  
State Auditor

SUBJECT: Consolidation of State Computer Systems

Again, thank you for the opportunity of commenting on the revised proposed bill which you are considering at your November 19, 1982 meeting.

I feel this revised draft proposal substantially satisfies the majority of concerns I expressed to you on November 8, 1982. However, I would like to offer two additional suggestions.

First, I would suggest that the Council of State approve specific actions recommended by the Secretary of the Department of Administration regarding information processing services instead of only being consulted.

Second, I would suggest that all Department of Administration recommendations related to information processing services covered under this statute be presented first to a technical committee for review and evaluation. Based upon the technical committee's evaluation, recommendations should then be presented to the Council of State for their final review and approval.

The technical committee should be composed of five members, one appointed by each of the following offices - Office of State Budget & Management; Secretary of Department of Administration; Office of State Auditor; Office of State Treasurer; Fiscal Research Division. Committee members should be computer experts who are highly skilled and experienced in information processing.

I believe with this approach, considerable long-term cost savings and effective sharing of information resources can be accomplished.

ER:hr



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION  
RALEIGH 27611

JAMES B. HUNT, JR.  
GOVERNOR

19 November 1982

WILLIAM R. ROBERSON, JR.  
SECRETARY

MEMORANDUM

To: Legislative Research Commission's State  
Computer Systems Study Committee

From: William R. Roberson, Secretary  
Department of Transportation

A handwritten signature in cursive script that reads "Bill Roberson". A horizontal line is drawn underneath the signature.

During 1978, the Department of Transportation consolidated its two large computer systems. The two centers had developed separately prior to the 1973 re-organization of State Government; one in the old Highway Commission, the other in the old Department of Motor Vehicles. By increasing the capacity of one computer to process the work of both divisions, we were able to discontinue the other computer, resulting in a higher level of service to both at a much reduced cost. The first year's savings exceeded one half million dollars.

In the light of this very favorable experience, I recently consented to Secretary Patterson's request to include our Department's Computing Center in Governor Hunt's "efficiency in Government" program. I am confident that greater cooperative use of computing technology by the several agencies will achieve even greater levels of productivity and cost effectiveness.

WRR/jhs



